

Message Text

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FOR AGRICULTURE, FAS, FCA, GRAIN AND FEED DIVISION

FROM: AGRICULTURAL OFFICER

E.O. 11652: N/A

TAGS: EAGR, CH

SUBJECT: PRC--STATE PROCUREMENT OF RECORD SUMMER GRAIN HARVEST OVER-
FULFILLED

REF: (A) TOFAS 57; (B) HONG KONG 8392

BEGIN SUMMARY: CHINA HAS OVERFULFILLED THIS YEAR'S PROCURE-
MENT PLAN FOR SUMMER-HARVESTED GRAINS AND STRENGTHENED GRAIN
RESERVES. CLAIMS OF ALL-TIME HIGHS FOR YIELDS AS WELL AS
PRODUCTION AND OTHER RELATED REPORTS APPEAR TO INDICATE NEED
FOR UPWARD REVISION OF 1976 WINTER WHEAT HARVEST ESTIMATE FROM
APPROXIMATELY 35 MILLION METRIC TONS TO 37 MILLION METRIC TONS.
END SUMMARY

1. CHINA HAS OVERFULFILLED ITS PLAN FOR PROCUREMENT OF GRAIN
FROM THE SUMMER HARVEST. BY JULY 31, THE LEVEL OF GRAIN TAX-
IN-KIND COLLECTED, COMPULSORY DELIVERIES AND PURCHASES OF
SURPLUS GRAIN JOINTLY EXCEEDED STATE PLAN BY 10 PERCENT, WITH
NEW CROP GRAIN IN STORAGE "CONSIDERABLY INCREASED" IN TEN
MAJOR AREAS OVER SAME PERIOD OF 1975 (NCNA AND CNS 8/17/76).

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THOSE TEN PROVINCE-LEVEL UNITS SPECIFICALLY MENTIONED FOR THEIR

OUTSTANDING PERFORMANCE IN OVERFULFILLING PROCUREMENT PLAN WERE SHANTUNG, HONAN, HOPEH, KIANGSU, ANHWEI, HUPEH, SZECHWAN, PEKING, TIENSIN AND SHANGHAI. TOGETHER THEY PLANT 70 PERCENT OF PRC'S WINTER WHEAT AREA.

2. COMMUNES IN MANY AREAS WERE CONTINUING DELIVERIES WHILE PARTY CADRES FROM ALL LEVELS "CORRECTLY HANDLED THE RELATIONSHIP AMONG THE (A) STATE, (B) COLLECTIVE (COMMUNE, BRIGADE AND TEAM) AND (C) INDIVIDUAL INTERESTS" IN ALLOCATING GRAIN FROM 1976 SUMMER HARVEST. RESULT WAS "PROPER ARRANGEMENTS FOR LIVELIHOOD OF COMMUNE MEMBERS AND FOR COLLECTIVE GRAIN RESERVES FOR FURTHER CONSOLIDATION AND DEVELOPMENT OF COLLECTIVE ECONOMY."

3. OFFICIAL RELEASES ALSO REFERRED TO SUMMER GRAIN HARVEST ITSELF AS REACHING "ALL-TIME HIGHS" IN BOTH (A) PRODUCTION AND (B) PER-HECTARE YIELDS. (SUMMER GRAIN HARVEST COMPRISES WINTER WHEAT AS PREDOMINANT CROP AND ALSO OVERWINTERING BARLEY, BROAD BEANS, FIELD PEAS AND POTATOES.)

4. COMMENT: NCNA CLAIM OF OVERFULFILLMENT OF PROCUREMENT PLAN FOR SUMMER GRAIN HARVEST IS IN LINE WITH EARLIER CLAIM OF RECORD SUMMER GRAIN HARVEST IN WHICH 1976 PRODUCTION IN MOST OF 24 PRODUCING PROVINCIAL-LEVEL UNITS EXCEEDED 1975 LEVELS (NCNA 7/22/76; REF A). ADDITION OF INFORMATION THAT PER-HECTARE YIELDS ALSO EXCEEDED 1975 STRENGTHENS EARLIER ESTIMATE OF RECORD WINTER WHEAT HARVEST OF APPROXIMATELY 35 MILLION METRIC TONS (M.T.) (REF B) SO MUCH AS TO INDICATE THAT 35 MILLION MT. MAY BE TOO LOW.

.5 PROCUREMENT: COMPARISON OF PROCUREMENT REPORTS FOR SUMMER GRAINS IN 1974 AND 1975 INDICATES 1976 CLAIM IS STRONGER THAN EARLIER YEARS. FOR EXAMPLE, CLAIM THAT TEN PROVINCES (OUT OF 24 PRODUCING PROVINCIAL-LEVEL UNITS) HAD CONSIDERABLY MORE GRAIN ALREADY STORED THIS YEAR IS MUCH MORE SIGNIFICANT IN VIEW THEY ACCOUNT FOR 70 PERCENT OF CHINA'S TOTAL WINTER WHEAT AREA. ALSO, 70 PERCENT OF TOTAL WINTER WHEAT AREA IS LARGER AREA THAN ITS EQUIVALENTS IN EITHER 1975 OR 1974 BECAUSE OF STEADY EXPANSION IN SOWN AREA.

6. IT MUST ALSO BE STRESSED THAT ALTHOUGH PLANNED VOLUME OF UNCLASSIFIED

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GRAIN TAX-IN-KIND IS HELD AT SAME LEVEL EACH YEAR, TARGETS FOR BOTH COMPULSORY DELIVERIES AND PURCHASES OF SURPLUS GRAIN ARE BELIEVED TO BE INCREASED EACH YEAR FOLLOWING UPWARD TREND OF YIELDS AND PRODUCTION. THUS, SAME PERCENTAGE-INCREASE IN OVERFULFILLMENT IN SUCCESSIVE YEARS WOULD MEAN SUCCESSIVELY LARGER VOLUMES OF GRAIN ACTUALLY DELIVERED. 1976 PERFORMANCE IS THEREBY OUTSTANDING BY SEVERAL MEASURES.

7. 1976 SUMMER GRAIN HARVEST. SECOND HIGHLY SIGNIFICANT ASPECT OF PEKING'S ANNOUNCEMENT OF PROCUREMENT RESULTS WAS REVELATION THAT UNIT-YIELDS OF WINTER GRAINS (PRIMARILY WINTER WHEAT) HAD INCREASED OVER 1975, REACHING A NEW HIGH. IN EARLIER AGOFFICE ASSESSMENT OF 1976 WINTER WHEAT HARVEST (REF ?), AND REPORT OF RECORD SUMMER GRAIN HARVEST (REF A), ESTIMATED INCREASE OF 3-5 PERCENT IN WHEAT PRODUCTION WAS BASED ON THE ASSUMPTION THAT A CALCULATED LARGER INCREASE OVER 63 PERCENT OF TOTAL WHEAT AREA WAS OFFSET BY ESTIMATES OF SMALLER INCREASES, NO INCREASES AND EVEN DECREASES OVER BALANCE (37 PERCENT) OF WINTER WHEAT AREA.

8. NOW, WITH AUGUST 17 CLAIM OF PER-HECTARE GRAIN YIELDS ALSO REACHING ALL-TIME HIGH ALONG WITH PRODUCTION, AGOFFICE'S EARLIER ESTIMATE OF 1976 WINTER WHEAT PRODUCTION APPEARS TOO LOW. IN VIEW OF THAT CLAIM AND OTHER INFORMATION, IT APPEARS (JUSTIFIED) TO REVISE ESTIMATED LEVEL OF 1976 WINTER WHEAT HARVEST UPWARD TO NEW RECORD LEVEL OF 37 MILLION MT FROM PREVIOUS ESTIMATE OF 34.6 TO 35.2 MILLION MT (REF B).
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